

Chapter

1

Vision and Business Strategy

We place sustainability at the core of our management, envisioning a sustainable future.

Through our five diverse businesses, we strive to balance value creation with making a positive contribution to society.



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Top Message

**Creating the Future through
the Power of Chemistry and
Contributing to Society with
Technology and Trust**



Fujikura Kasei Co., Ltd.
President

Susumu Kurihara

Amid a changing business environment, we strive to create high added value and respond to the trust placed in us as a chemical manufacturer

Entering a New Stage of Growth through Major Capital Investment

In fiscal 2024, we achieved revenue growth but recorded a decline in net profit, resulting in a challenging financial outcome. This was mainly due to delays in the recovery of domestic automobile production, weak demand in the European and Asian markets, and a slowdown in the housing sector caused by rising construction costs.

On the other hand, our Functional Polymers/Polymers & Resins business has begun to show positive results in new fields, marking steady progress toward developing new markets and diversifying our business portfolio. In the housing renovation market, demand for exterior wall coatings, which had temporarily slowed, has shown signs of recovery since the latter half of last year.

Looking ahead to fiscal 2025, we plan a major capital investment at our Sano Plant. This project represents more than a simple renewal—it is an important challenge that could be described as a “second founding” for our company. Through this investment, we aim to enhance product quality and expand production capacity to ensure a stable supply that meets diverse customer needs, while also reducing environmental impact and improving energy efficiency. We believe that such initiatives form the foundation of our sustainable growth.

We place greater importance on building long-term trust than on pursuing short-term profits. By maintaining strong relationships of trust with our customers, business partners, local communities, and employees, we will continue to make responsible decisions from a sustainable perspective.

With a medium- to long-term outlook, we will steadily fulfill our corporate social responsibilities and continue to grow together with all our stakeholders.

Top Message

Progress of the 11th Medium-Term Management Plan and Business Portfolio Strategy

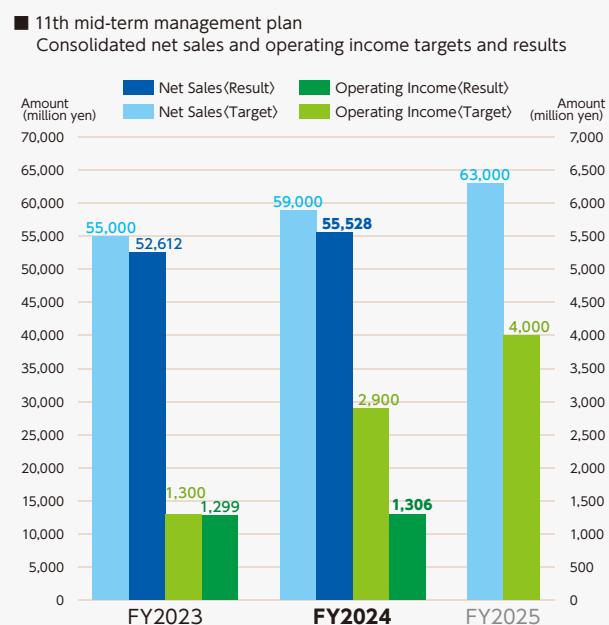
Positioning fiscal 2024 as the core year of the “11th Medium-Term Management Plan,” we pursued multifaceted initiatives for transformation and growth under the key theme of “Leap.” However, in the second year of the plan, our business performance was significantly affected by external factors, leading to results that diverged from our initial expectations. Even so, we did not stand still. We steadily advanced efforts to evolve our products and businesses, create new value, and expand into global markets. Through the development of new products that address social issues and the enhancement of our quality and production systems, we worked to achieve a balance between sustainability with growth.

Under the 11th Medium-Term Management Plan, we introduced a three-axis business portfolio strategy consisting of “Sprouts,” “Young leaves,” and “Trees.” While maintaining the trust expected of us as a B-to-B company responsible for a stable supply, we are making strategic choices and investments aimed at achieving long-term growth.

Specifically, we have advanced efforts to visualize our portfolio management across the entire organization and to quantitatively evaluate the progress of each initiative. Whereas our evaluations once focused primarily on sales performance, in recent years our emphasis has shifted toward profitability and growth potential—an evolution that is already producing tangible results.

We aspire to be a “company recognized not for its scale, but for its reliable technologies and high value-added products.” Going forward, we will continue to focus on fields with strong social relevance and growth potential, delivering distinctive value that only Fujikura Kasei can offer.

Fiscal 2025 marks the final year of the 11th Medium-Term Management Plan. It will be a crucial year for turning the challenges we have undertaken thus far into tangible results and for building a solid bridge toward the “12th Medium-Term Management Plan.”



Redefining our “Purpose” as a chemical manufacturer to build an organization and environment that contribute to a sustainable future

Formulation of Our “Purpose” and the Values Behind It



In April 2025, I assumed the position of President and Representative Director of the Company, taking on the responsibility of steering the company's course forward. As the world continues to change at an unprecedented pace, I felt it was essential for us to reflect once again on our “Purpose.”

The result of that reflection is embodied in our renewed Purpose: “Creating the future through the power of chemistry and contributing to society with technology and trust.”

This statement is more than just a slogan. It expresses the very essence of who we are at Fujikura Kasei, developed through a bottom-up process that has gathered voices from across the organization—from sales and engineering to production and beyond. These words embody the trust we have built with our customers over many years, our sincere commitment to research and development, and the dedication of employees who support our operations on the front lines.

Moreover, this “Purpose” will serve as a compass guiding all our activities going forward. As a chemical manufacturer, we will continue to uphold “technology” and “trust” as our core values and work earnestly to help solve social issues. Guided by the principle of backcasting, we will identify what must be done today to contribute to a sustainable future, looking ahead to the society we aim to help shape ten to twenty years from now.

To truly embody this Purpose, it is vital that we demonstrate tangible results through our products and services. Through action and outcomes—not words alone—we will deliver genuine value to all our stakeholders.

Shaping the Future Through the Power of People: Human Capital Management

In recent years, “human capital management” has attracted significant attention as a key theme in corporate management. Above all, I value the “power of people.” No matter how advanced our technologies or facilities may be, it is ultimately people who bring them to life. The motivation and pride of each employee are the true driving forces behind our company's growth.

At Fujikura Kasei, we are committed to fostering an environment where employees can develop a clear understanding of the purpose of their work and feel that “what they do

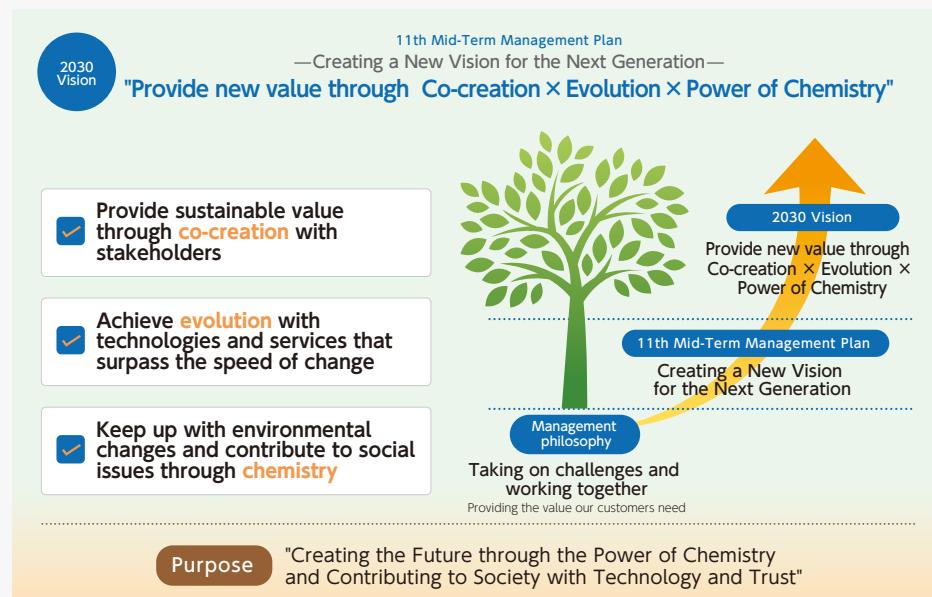
Top Message

today connects to the future." When individuals recognize that their efforts go beyond routine tasks—that their work benefits others and contributes to society—it becomes a source of both challenge and learning and the foundation of sustainable growth.

We make it a point to clearly communicate to our employees the background and purpose behind each goal, helping them understand how their daily work connects to society and encouraging them to think creatively. By linking individual objectives with organizational goals and moving forward in the same direction, we believe we can foster genuine unity and innovation.

While we have long provided ongoing education and training programs, we are now working to clarify the qualities we seek in our people and the objectives of these programs. By deepening understanding of "why each program is necessary" and "what kind of talent we aim to develop," we aim to enhance employees' sense of purpose and engagement. Linking individual goals organically with the organization's vision and creating the future together—this is the essence of the human capital management we aspire to.

At the same time, we strive to create a positive culture where employees can learn from challenges and setbacks, "fostering a developmental environment" in which each individual's growth is directly felt as contributing to the company's future.



Our Commitment to "Sustainability Management"

For our company, sustainability is not a passing trend, but a core element of our management. Pursuing sustainable growth from the three perspectives of Environment, Society, and Governance is deeply connected to the "very essence of Fujikura Kasei"—a quality which has been passed down since our founding.

We strive to be a company that is not only "chosen by customers," but "truly needed by society." This serves as our guiding principle for navigating the challenges of the future. Beyond simply pursuing profits generated from our business activities, we see it as our responsibility to continually ask how those profits are connected to society and the environment.

In response to rising societal expectations and the growing demands of stakeholders, we are advancing sustainability management through practical, grounded steps. Though progress may be gradual, we are implementing initiatives suited to our company's scale and characteristics while ensuring that employees understand and share the purpose behind our actions.

Even amid global uncertainty, we believe that maintaining a sincere and steadfast approach as a Japanese company will ultimately earn lasting trust. Guided by our Purpose of "Creating the future through the power of chemistry and contributing to society with technology and trust," Fujikura Kasei will continue moving forward, making steady progress toward the realization of a sustainable society.

Continuing to Be a "Company That Is Truly Needed by Society"

Fujikura Kasei is by no means a large company. Yet we believe the accumulation of small technological advances can generate significant value for society. In today's complex and uncertain world, we will continue to move forward steadily and with sincerity, guided by our management philosophy of "Taking on Challenges and Working Together," and with technology and trust as our pillars.

The pride that each employee brings to their work and their commitment to act with an awareness of "contributing to the future" are the keys to the company's sustainable growth. The environment to support this mindset has been established; what remains is to put it into action.

Looking forward, we will continue dedicating ourselves to creating new value and building trust so that we remain a "company truly needed by society."



Mid-term Management Plan and Sustainability

Entering the Third Year of the 11th Mid-Term Management Plan

Human resource development and organizational strengthening to maximize human capital

To achieve our 2030 Vision—"Provide new value through Co-creation × Evolution × Power of Chemistry"—we are committed to maximizing our human capital. In fiscal 2024, we placed particular emphasis on linking our management strategies with human resource development and formulated a new policy to draw out the full potential of each employee. We are also working to foster a culture that encourages taking on challenges and to create an environment that embraces diverse perspectives, cultivating a corporate culture grounded in trust. By strengthening connections among employees, we aim to foster an organizational culture that drives innovation and lays the foundation for sustainable growth.

Priority measures for human capital management

1 Human resource development policy

Guided by our "Purpose"—"Creating the future through the power of chemistry and contributing to society with technology and trust"—we aim to develop talent that supports sustainable growth and to foster an environment where employees and the company grow together.

2 Diversity and inclusion

We believe that diversity provides fertile ground for innovation, and we actively promote the participation of women, senior employees, and persons with disabilities. To enable diverse talent to thrive, flexible working arrangements are essential. To this end, we are advancing initiatives to enhance work-life balance by establishing institutional support measures and strengthening follow-up mechanisms within daily duties.

3 Engagement

We conduct regular engagement surveys to gauge employee sentiment and to assess whether our organization is fostering a fulfilling and motivating workplace. The survey results are shared with department heads and executive management and are used to guide concrete actions for improving the work environment.

In addition, through one-on-one feedback sessions with supervisors, self-assessment interviews, and meetings with the HR department, we identify each employee's skills and aspirations toward enhancing the performance of our organization as a whole.

Fujikura Kasei has identified 2030 as a long-term milestone and formulated the 11th mid-term management plan as the first step toward that goal. The plan was launched in April 2023. We are now striving to achieve the third-year targets of the plan as we work to realize our 2030 Vision.

Executive Director and General Manager
of Administration Headquarters
Toyohiro Tsuchiya



Pursuing capital efficiency and reflecting it in financial and capital planning

We are committed to management that prioritizes capital efficiency and financial soundness. In fiscal 2024, we worked to embed our business portfolio strategy across the company, establishing a foundation that leverages the distinct characteristics and strengths of each business. In fiscal 2025, we will continue to advance this strategy, further strengthening management with a focus on growth and profitability. This includes monitoring capital costs and incorporating them into our financial and capital planning. By steadily implementing strategies to enhance the growth and profitability of each business, we aim to further increase corporate value.

Keys to management focused on capital returns

1 Assessment of capital costs

To ensure effective capital allocation and investment decisions, we will assess capital costs as the basis for making management decisions. In management decision-making, having an accurate grasp of capital costs is directly related to optimizing corporate value and risk management. We will also use capital costs as a standard for investment decisions and the distribution of capital and introduce efficient management strategies to achieve sustainable growth and strengthen our competitiveness.

2 Shareholder return and capital policy

The 11th mid-term management plan aims to "achieve a total return ratio of 70% or more (maintain a dividend of 16 yen or more)" during the period covered by the plan. We will strive to enhance corporate value by promoting our business portfolio and implementing initiatives aimed at increasing capital returns.

3 About the "Task Force on Climate-related Financial Disclosures (TCFD)"

As a company that defines climate change as a priority issue, we endorsed the TCFD proposal in May 2023. An analysis of scenarios based on the proposal is provided in detail on page 33.

Mid-term Management Plan and Sustainability

About the 11th mid-term management plan

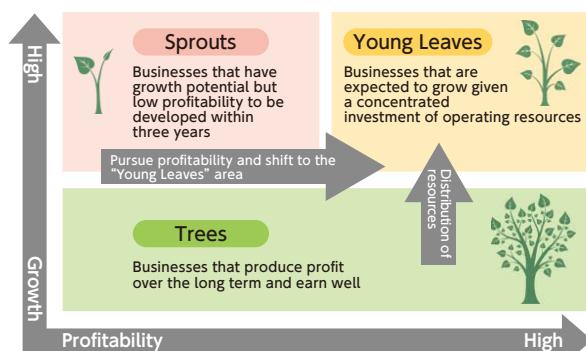
Basic policy

■ 5 strategies



Our basic policy is "creating a new vision for the next generation." Under the 11th mid-term management plan, we are driving company-wide efforts based on five strategies for sustainable growth, including three business-domain strategies and two management-domain strategies.

■ Business Portfolio Approach



Starting with this mid-term management plan, we are working to visualize our business portfolio strategy based on a common, company-wide framework.

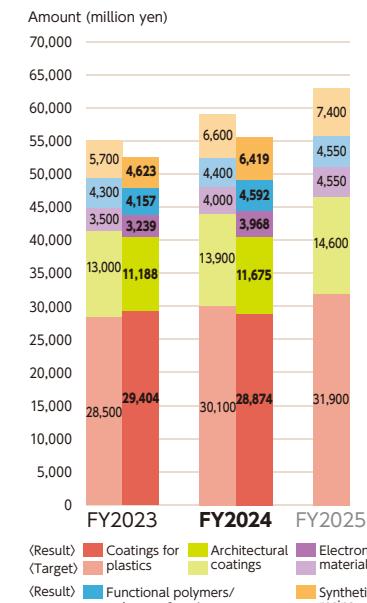
Under this strategy, we classified our operations into three areas—"Sprouts," "Young Leaves," and "Trees"—and conducted quantitative, objective evaluations covering all levels, from business segments to individual business units, group companies, and product-based SBUs. In the "Sprouts" and "Young Leaves" areas, we aim to clarify our strategic focus areas, renew our business portfolio with a forward-looking perspective, and create new value. In the "Trees" area, we are concentrating on improving productivity and reforming the profit structure across all operations.

Profit plan

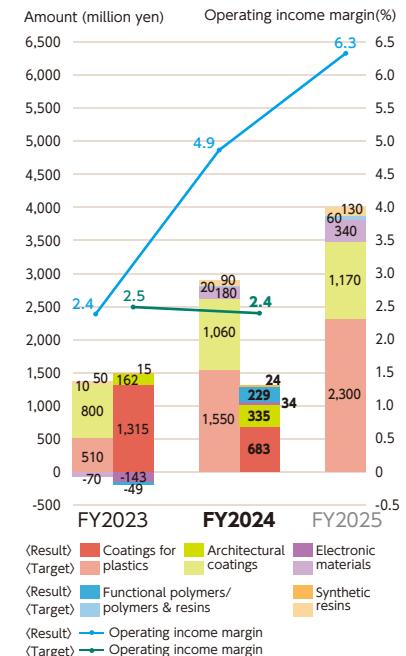
■ Consolidated net sales targets and results



■ Net sales targets and results by segment



■ Operating income targets and results by segment



Shareholder return and capital policy

To ensure sustainable shareholder returns, we place strong emphasis on capital efficiency while maintaining a careful balance with investments for future growth and the safe, stable supply of our products and services.

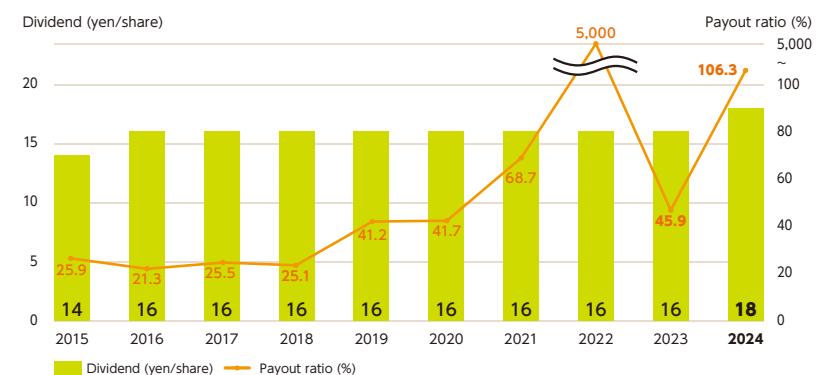
Shareholder return

- Aim for a total return ratio of **70% or more** during the period of the 11th mid-term management plan (maintain a dividend of 16 yen or more)

Capital policy

- Aim to achieve an **ROE of 8% or more**
- Acquire treasury shares in a timely manner

Dividend (yen/share)



Business Portfolio Approach

Coatings for Plastics

Basic policy for value creation

Pursue coating functions for the next generation to provide new value on a global scale

Review of the second year of the 11th mid-term management plan

Based on our "Basic Policy for Value Creation," the Coatings for Plastics business has continued to pursue the functional performance needed to address the evolving environment and diverse challenges accompanying the transition to a decarbonized society. At the same time, we are working to create new value, deliver it globally through our international network, and advance our technologies and services at a pace that surpasses the speed of external change.

In fiscal 2024, we observed a strengthening awareness among our customers and end users regarding environmental responsibility and decarbonization. Recognition of our environmentally friendly and decarbonization-oriented products—such as biomass-based materials, plating alternatives, and functional films—has grown, leading to an increase in new adoptions.

In light of these developments, we recognize that we are making steady progress toward the final year of the current mid-term management plan and toward the next mid-term plan.

Focus Strengthening priority businesses

Film coating technology as a painting alternative to reduce CO₂ and VOC emissions

In the Coatings for Plastics business, we are working to reduce CO₂ and VOC (volatile organic compound) emissions by leveraging our accumulated expertise in spray coatings for plastics. We are developing paints for film coating methods that are attracting attention as alternatives to traditional painting, including high-solid formulations and 100% solid paints containing no organic solvents.

Through these efforts, we are contributing to mitigating climate change and reducing environmental impact while expanding the development of sustainable technologies and product offerings.



Applying coatings onto film substrates



Functional decorative film components

Senior Vice President and General Manager
of the Coatings for Plastic Division

Hitoshi Kawaguchi



FY2025 initiatives and FY2026 objectives

In fiscal 2025, we will continue to expand our lineup of water-based, biomass, and high-solid products, while further promoting the market expansion of plating alternatives and film coating applications. Through energy-saving initiatives such as low-temperature and rapid-drying processes, we aim to make these environmentally friendly product groups—designed to reduce CO₂ emissions and minimize environmental impact—our core offerings.

Moreover, in light of increasingly complex geopolitical risks and supply chain disruptions arising from U.S. trade and tariff policies, we will strengthen our organizational agility and adaptability. As the mobility environment and market structures continue to evolve rapidly, we will remain committed to sustainably creating and delivering new value.

Opportunities

Transition to a carbon neutral society, expansion of EVs

Risks

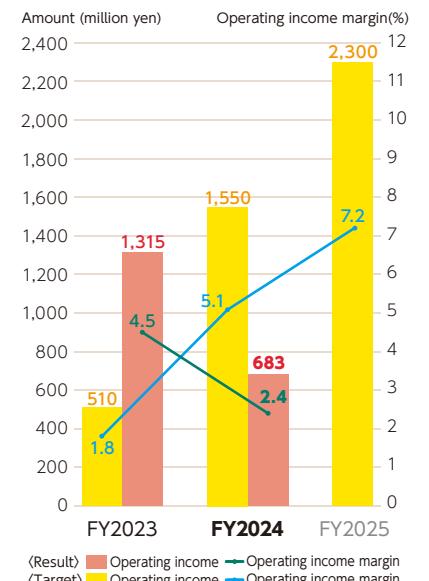
Major changes in the supply chain

Policies under the mid-term management plan

Sales targets and results



Operating income targets and results



(Result) Net Sales (Target) Net Sales
(Result) Operating income (Target) Operating income
(Result) Operating income margin (Target) Operating income margin

Business Portfolio Approach

Architectural Coatings

Basic policy for value creation

Contribute to future society beginning with residential houses through the co-creation of product performance and coating work capabilities

Review of the second year of the 11th mid-term management plan

In fiscal 2024, we advanced product design from two complementary perspectives: "developing materials with an understanding of construction needs," and "executing construction with deep knowledge of materials." As a result, we introduced a high-quality, water-based topcoat that delivers excellent workability. This innovation enables water-based paints to provide the smooth finish previously attainable only with solvent-based paints, while achieving a balance of ultra-durability, solvent-free formulation, and low carbon emissions.

In response to the growing social challenge of aging infrastructure, we also began providing samples of newly developed paints for which basic design has been completed. Having verified mass-production readiness, we have completed the mass production validation and established a supply system capable of supporting the transition to application trials.

Focus Strengthening priority businesses

Realizing comfortable and convenient living environments through solvent-free solutions

Solvent-based paints have traditionally been used for the renovation of components other than exterior walls in detached houses, as they provide the "smooth finish", "high durability", and "glossy appearance" required for such applications. It has long been considered difficult for conventional water-based paints to meet these performance requirements. However, by adopting a proprietary resin developed in-house, we have successfully overcome these challenges.

In our core market—the housing renovation sector—the shift toward solvent-free, environmentally friendly solutions is accelerating. We plan to expand the application of our new product to a broader range of users.



Entrance frame appearance



Brush-painted eaves gutter

Senior Vice President and General Manager of the Architectural Coatings Division

Hisashi Kajiwara



FY2025 initiatives and FY2026 objectives

Looking ahead to fiscal 2026, we will expand the application of the water-based topcoat introduced in fiscal 2024, contributing to the realization of a decarbonized society. At the same time, we will further advance the development of coatings designed to address aging infrastructure, a growing social issue.

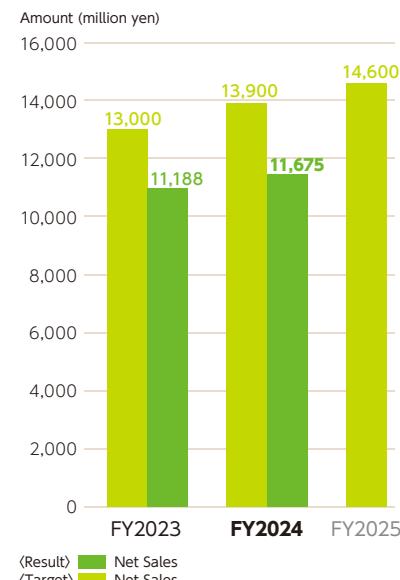
To enhance safety, quality, and efficiency in coating operations, we will continue to provide regular training programs and briefing sessions for our sales and construction personnel. These initiatives are aimed at ensuring the transfer of technical expertise and know-how, while keeping our teams updated on evolving social and market environments.

Opportunities
Contribution to long-life houses, expansion of business based on the capabilities of coating work

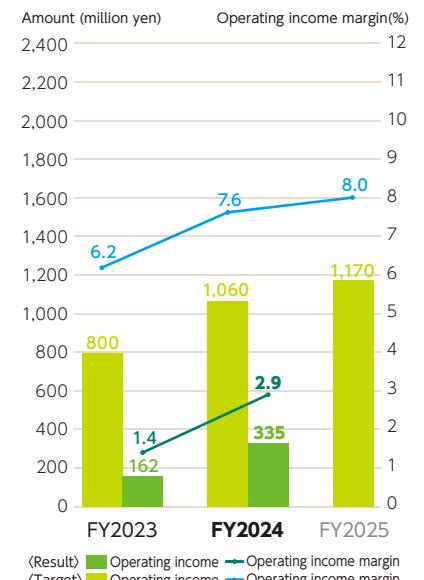
Risks
Decrease in the number of housing starts in Japan, aging of coating engineers

Policies under the mid-term management plan

Sales targets and results



Operating income targets and results



Business Portfolio Approach

Electronics Materials

Basic policy for value creation

Leverage the history and high performance of Dotite® to achieve sustainable growth in the cutting-edge electronic materials area

Review of the second year of the 11th mid-term management plan

In the Electronics Materials business, we are advancing our initiatives with a long-term outlook toward the 2030 business environment, focusing on three priority fields: the “next-generation automotive industry,” the “information and communications industry,” and the “healthcare industry.” Guided by the Japanese Cabinet Office’s vision of “Society 5.0” as a model for future society, we are developing our business in ways that contribute to this transformation.

In the automotive industry, the growing adoption of advanced driver-assistance systems (ADAS) has increased the number of highly reliable control and sensor components. Our conductive polymer-based electrode pastes for capacitors and conductive adhesives have been newly adopted for these applications.

In the information and communications industry, we developed and launched a high-frequency electromagnetic wave-absorbing coating designed to support high-speed communications and IoT infrastructure. We have achieved 20 dB (90%) electromagnetic wave absorption with an ultra-thin 150-micron film. Going forward, we will continue to strengthen our proposal activities to help address market and customer challenges.

In the healthcare industry, our stretchable conductive paste has been adopted for use in healthcare sensors, supporting advancements in remote sensing and wearable devices. We will continue developing products for a wide range of stretchable sensor applications, contributing to the evolution of healthcare and wellness.

Focus Strengthening priority businesses

“Stretchable substrate” for wearable healthcare devices

Stretchable wearable devices use flexible and elastic materials to enhance comfort while wearing the device and respond smoothly to natural body movements. In such devices, it is essential to maintain stable electrical conductivity even as the materials move in sync with the body.

Our stretchable conductive materials are compatible with a variety of substrates, including silicone and urethane, and demonstrate high conductivity stability and exceptional durability under repeated stretching and movement.

Beyond wearable devices, we are actively expanding into soft robotics, medical equipment, and automotive applications, where both flexibility and reliability are critical. In addition, we are pursuing global market expansion, particularly in Europe and North America.



Wearable healthcare devices

Executive Director and General Manager of the Electronic Materials Division

Takahiro Ishii



FY2025 initiatives and FY2026 objectives

In the Electronics Materials business, our core products currently use silver powder as a primary raw material. At the same time, we are actively pursuing the development of silver-free materials to help reduce both environmental impact and product costs, particularly for capacitor and power semiconductor applications.

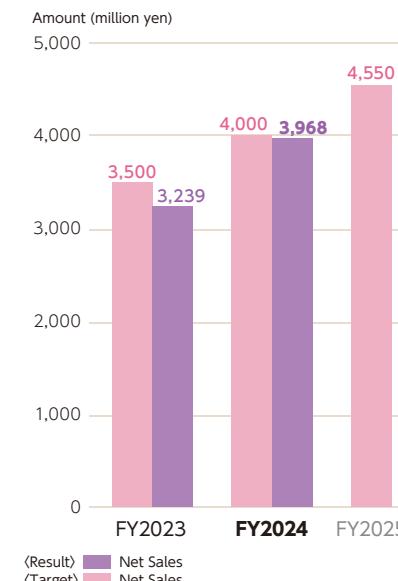
Looking ahead, Dotite® will continue to drive innovation and product development that contribute to addressing social challenges.

Opportunities High growth of the materials market based on the dissemination of DX, IoT, and EVs

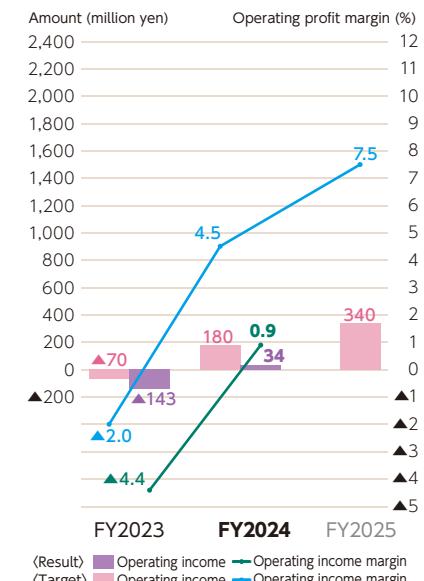
Risks Local procurement by overseas customers

Policies under the mid-term management plan

Sales targets and results



Operating income targets and results



Business Portfolio Approach

Functional polymers / polymers & resins

Basic policy for value creation

Evolve by providing fine, functional technologies and products based on the polymerization technology we have cultivated since our founding

Review of the second year of the 11th mid-term management plan

In the Functional Polymers/Polymers & Resins business, we continued to expand into new fields. In the fine materials segment, in addition to enhancing the functionality of our conventional acrylic resins, we have achieved growth in new product lines such as urethane- and polyester-based materials. In the adhesives segment, we are broadening our product offerings through the application of triblock polymer technology. Going forward, we will continue to promote new product development and strengthen our proposal activities to address diverse customer needs, steadily building a foundation for further success.

In the diagnostic pharmaceuticals area, our particle materials that are used as raw materials for reagents have shown steady growth. Through products such as diabetes test reagents, we aim to contribute to promoting healthier, more secure lifestyles.

Executive Director and General Manager
of the Functional Polymers/Polymers & Resins Division

Takayuki Ishimoto



FY2025 initiatives and FY2026 objectives

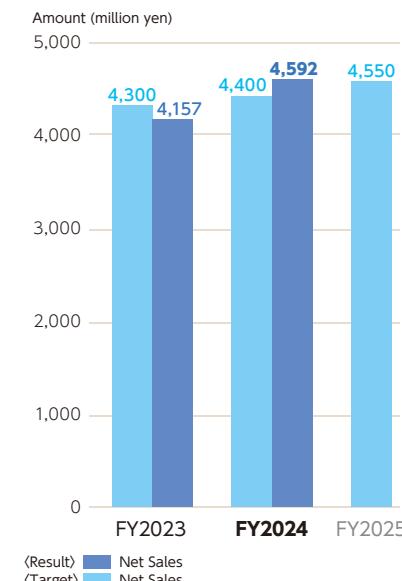
We have achieved our sales target for the final year of the mid-term management plan ahead of schedule in fiscal 2024, and will take bold, proactive steps in fiscal 2025 to reach even greater heights. In particular, we will strategically allocate resources to the "Young Leaves" and "Sprouts" fields, driving further expansion in fine materials and next-generation adhesives. By accelerating product development and market expansion leveraging new technologies, we aim to strengthen our existing markets and create new ones, thereby establishing a solid foundation for growth leading into the next mid-term management plan.

Opportunities Market expansion in new materials fields triggered by decarbonization, DX, and IoT

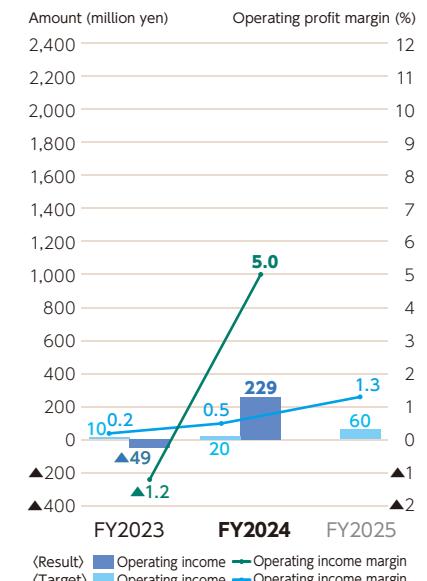
Risks Downsizing of provided values due to a shrinking market

Policies under the mid-term management plan

Sales targets and results



Operating income targets and results



Focus Strengthening priority businesses

Block polymers for smartphones and displays that support comfortable living

Our technologies are used in smartphones and displays, both of which are indispensable to comfortable and convenient modern living. These devices incorporate various types of films made from different materials, which can sometimes lead to issues such as warping or delamination due to differences in material properties.

Our block polymers exhibit excellent performance in adhesion and stress relaxation between dissimilar materials, as their coating strength and elongation can be precisely controlled.

Though not readily visible, these materials play a vital role in making everyday life more comfortable and convenient.



Business Portfolio Approach

Synthetic Resin

Basic policy for value creation

Make active proposals to a wide range of customers to contribute to solving social issues

Review of the second year of the 11th mid-term management plan

In fiscal 2024, the Synthetic Resins business actively pursued raw-material trading through its overseas bases, achieving progress that was generally in line with the plan. In Japan, demand from lighting and signage manufacturers increased, driven by the reshoring of production by assembly manufacturers and the accelerating shift to LED lighting.

Meanwhile, in materials for lithium-ion batteries, despite efforts to ensure a stable supply, demand declined sharply due to the sluggish EV market in Europe.

In response to these market changes, we initiated efforts to build new supply chains and cultivate new demand. These included the handling of new imported products and accelerating the acquisition of new customers and projects, positioning the business for renewed growth.

Tohoku Jushi Co., Ltd.
President

Manabu Ikegami



FY2025 initiatives and FY2026 objectives

In fiscal 2025, although growth in existing markets is expected to slow, we will continue strengthening proposals for high value-added products to lighting manufacturers and others, while expanding sales that leverage our processing technologies. In the interior building materials field, we will work to deepen customer relationships and broaden our product lineup.

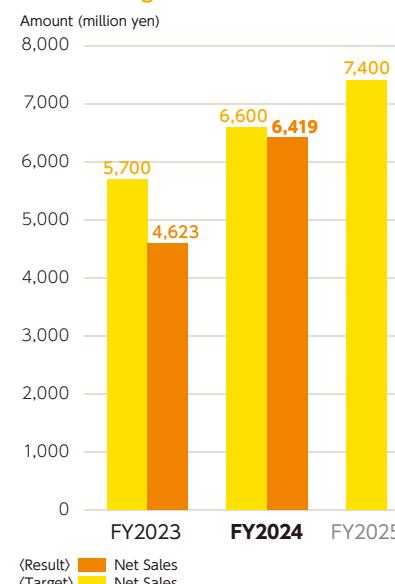
In raw material trading, a challenging market environment is anticipated in the first half due to shifts toward domestic procurement and tariff policies. Nevertheless, we will develop diversified proposals that extend beyond single-material offerings, aiming for a market recovery in the second half. For lithium-ion battery materials as well, we will advance new proposals in anticipation of a rebound in demand.

Opportunities **Provision of value to new markets such as the environmental products market**

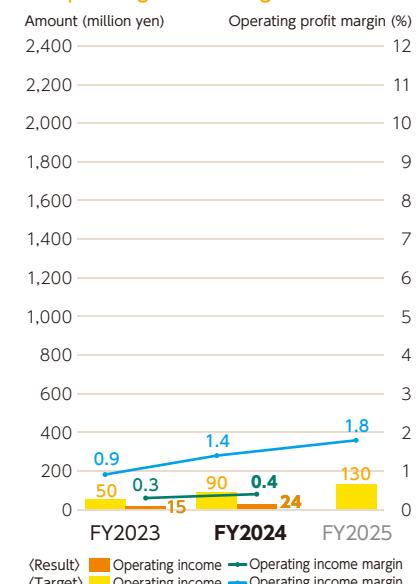
Risks **Structural changes in existing entry-level markets**

Policies under the mid-term management plan

Sales targets and results



Operating income targets and results



Focus Strengthening priority businesses

Realizing business growth through material and chemical recycling and triangular trade

In the Synthetic Resins business, we are leveraging our strength in proposal-based sales as a specialized trading company to help address social challenges by promoting the market introduction of material-recycled and chemical-recycled products being developed by resin manufacturers.

Furthermore, by enhancing triangular trade between Japan, North America, and Asia in collaboration with our overseas bases and strengthening exports of high value-added products, we are committed to achieving sustainable business growth on a global scale.



Business Portfolio Approach

Production

Basic policy for value creation

Increase productivity along the entire supply chain to create new value and realize well-being

Review of the second year of the 11th mid-term management plan

In fiscal 2024, our production activities were guided by the Basic Policy for Value Creation, focusing on "increasing productivity" and "addressing social issues through our business activities."

As part of our efforts to "increase productivity," we worked to prevent human error by utilizing internally developed training videos, which contributed to reducing operational mistakes.

To "address social issues through our business activities," we promoted initiatives "centered on logistics efficiency" and "autonomous maintenance." In logistics, transitioning more truck transportation to expressways led to shorter driver working hours. In autonomous maintenance, replacing parts in-house in response to equipment failures extended the lifespan of machinery that would otherwise have been discarded, helping to reduce waste.

Going forward, we will continue to pursue both "increasing productivity" and "addressing social issues through our business activities" through continuous improvement efforts.

Executive Director and Director of Sano Plant

Kazuhiro Suto



FY2025 initiatives and FY2026 objectives

In fiscal 2025, we plan to make proactive capital investments to further strengthen our stable supply system. Specifically, we will begin construction of a new coatings plant (Sano Renewal Step II). Prioritizing safety, we will establish a state-of-the-art production system equipped with the latest machinery and utilities to meet customers' increasingly diverse and sophisticated needs. At the same time, we will work to reduce environmental impact and improve energy efficiency through the introduction of energy-saving equipment.

Additionally, in line with our Basic Policy for Value Creation, we will continue efforts toward "increasing productivity" and "addressing social issues through our business activities." Through these initiatives, we aim to ensure on-time delivery, maintain a robust quality assurance system, and reinforce our commitment to environmental responsibility.

Furthermore, as social expectations regarding chemical safety continue to rise, we will implement comprehensive safety measures based on risk assessments, to ensure proper handling of chemical substances and fulfill our social responsibility.

Opportunities

Expansion of demand for high-quality, high-efficiency products

Risks

Changes in the chemical industry accompanying decarbonization

Production capabilities and strengths

Our production operations, centered on the Sano Plant and supported by manufacturing sites in Japan and overseas, have evolved in step with market changes and diverse customer needs. Guided by a commitment to safety first, we manufacture a wide range of products—including coatings for plastics, architectural coatings, electroconductive pastes, and acrylic resins—under a rigorous quality management system.

To ensure manufacturing reliability and deliver superior value from the customer's perspective, we have obtained certifications under multiple management systems, "ISO 9001," "IATF16949 (Electronic Materials Division)," "ISO 13485 (Medical Materials Division)," "ISO14001," and "ISO45001." These frameworks underpin our continuous pursuit of high-quality production and customer-centered value creation.



Sano Plant

Policies under the mid-term management plan

<Efficiency & improvement activities>
Human error prevention

<Safety>
Zero industrial accidents by enhancing onsite capabilities

<Corporate disaster prevention>
Disaster prevention subcommittee

Initiatives of the production department

<Environment>
New MS dissemination education, environmental conservation

<Securing manpower>
Productive workplace environment